



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Benefits Administrator Memo #02-15

To: Benefits Administrators
From: Charles S. Reed, Associate Director
State and Local Health Benefits Programs
CC: All OHB
Date: November 22, 2002
Re: Medicare Retiree Premiums and Benefit Changes Effective January 1, 2003

Benefit Changes for 2003

There will be no changes to copayments or coinsurance for the Medicare-eligible retiree group in 2003. However, group participants will experience the following changes in benefits:

- The Drug Only and Dental/Vision stand-alone plans, and the combination of Drug Only with Dental/Vision, will no longer be available to new enrollees effective December 31, 2002. However, *current members* may remain in these plans until they are discontinued on March 31, 2003, and have a one-time opportunity until that date to enroll in Advantage 65 or Advantage 65 with Dental/Vision.
- The vision benefits paid under the Advantage 65 with Dental/Vision, the Medicare Complementary (Option I) and the Medicare Supplemental (Option II) with Dental/Vision plans will increase as follows: up to a maximum of \$75 per pair of eyeglass frames, \$50 per pair of single lenses, \$75 per pair of bifocal lenses and \$100 per pair of trifocal lenses every 24 months. These increases will also apply to the Dental/Vision and Drug Only with Dental/Vision plans for current members who maintain coverage from January through March and are eligible for vision benefits.
- Eligible members who have waived state retiree coverage to participate in a federally-sponsored Medicare Managed Care Plan will have until December 31 to re-enroll in the State Retiree Health Benefits Program. Effective January 1, Medicare-eligible retiree group members who leave the program to enroll in a Medicare Managed Care Plan, or any other health plan except

the state's active employee plan or as a dependent in the state's retiree health benefits program, will not be able to re-enroll in the state retiree group.

Monthly Premiums

Please see the enclosed Medicare retiree group notification memo for 2003 premiums affecting all Medicare-coordinating plans, including Drug Only, Dental/Vision and Drug Only with Dental/Vision. A separate retiree group premium sheet is available on the DHRM Web site at <http://www.dhrm.state.va.us/services/health/retiree.htm>.

Notification to Medicare Retiree Group – Package Components

Enclosed is a copy of the notification that will be mailed on November 25 to Medicare-eligible retirees, survivors and VSDP long-term disability participants enrolled in the Advantage 65, Advantage 65 with Dental/Vision, Option I, Option II, Option II with Dental/Vision, Drug Only, Dental/Vision and Drug Only with Dental/Vision plans. Option II and Option II with Dental/Vision members only will receive a special flyer on a new claims filing procedure for prescription drugs. A separate mailing will be sent to Extended Coverage participants.

An Employee/Retiree Privacy Notice is being distributed to the Medicare retiree group. It explains how medical information about members may be used and disclosed, and how members can get access to this information based on the requirements of the Health Insurance Portability and Accountability Act of 1996.

In addition to the notification memo and privacy notice, the following items are included in the Medicare notification package:

- Medicare Plan Options brochure
- State Health Benefits Program Enrollment/Waiver Form for retiree group
- Option II drug claim flyer (Option II members only)
- *Open Forum* retiree newsletter

Enclosures:

Notification to Medicare Eligible Retirees (includes 2003 premiums)
Medicare Plan Options brochure
State Health Benefits Program Enrollment/Waiver Form for retiree group
Open Forum retiree newsletter
Option II drug claim flyer
State Materials Order Form